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Research Brief: North Star Alliance Initiative Employment & Wage in the Marine-Related Industry Cluster, 2005-2007

Maine Department of Labor

Maine Center for Workforce Research and Information

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Research Brief

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North Star Alliance Initiative
Employment & Wages in the Marine-Related Industry Cluster, 2005 to 2007

Maine's North Star Alliance Initiative is the result of a 4 year, $14.6 million investment by the U.S Department of Labor. The grant was provided to stimulate job growth, workforce development, and market expansion; enhance capitalization; and focus research and development on behalf of a combination of traditional and emerging industries. NSAI brings together marine interests including boat builders, dealers, and marinas with advanced composite materials manufacturers, related businesses, and university research.

Workforce availability, costs and quality are fundamental to the success of this initiative. Increasingly, Maine's prosperity will be shaped by advancements in human capital in knowledge, skills, and abilities and in diffusion of innovation. This brief examines basic employment and earnings developments over a three year period and workforce characteristics including demographics and turnover in 2006.

The Numbers

The 526 firms that comprise the NSAI cluster employed 13,074 workers, accounting for 2.6% of private sector jobs in 2007. Wages from NSAI firms totaled $604.9 million – 3.5% of private sector wages. Between 2005 and 2007 the number of jobs in the cluster was virtually unchanged, but wages paid increased faster than average.

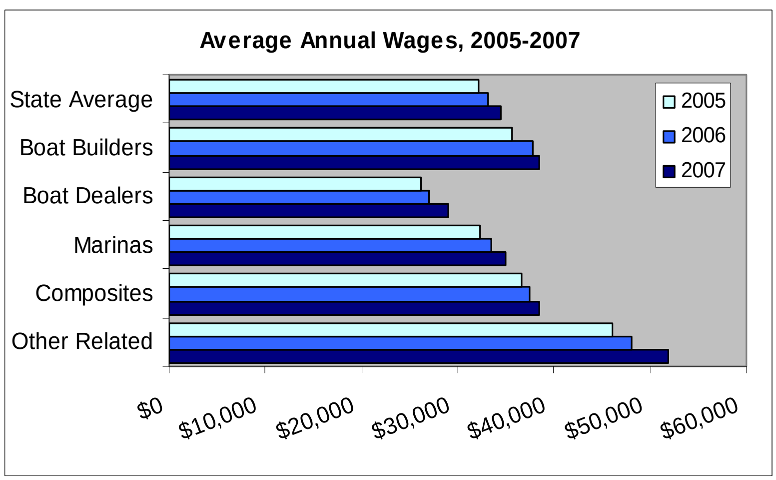
•Most firms in the cluster are small, employing fewer than 21 workers.

•Marinas and composites manufacturers had the largest job gains between 2005 and 2007, adding 48 and 22 jobs, respectively. In both of these industries most net growth was in small firms.

•Boat building firms added 12 jobs between 2005 and 2007. Job gains in firms with 50 or more workers were largely offset by job losses among smaller firms.

•Like most industries, average wages paid tended to be higher among larger firms than smaller firms.

•Boat dealers were the only NSAI industry with lower than average wages.



SIZE CLASS (Employment)	UNITS			AVG. EMPLOYMENT			TOTAL WAGES			AVG. ANNUAL WAGE		
	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007
NSAI CLUSTER TOTAL (1)												
ALL SIZES	**520**	**525**	**526**	**13,069**	**12,822**	**13,074**	**$545,197,281**	**$557,015,130**	**$604,902,830**	**$41,718**	**$43,441**	**$46,269**
BOAT BUILDERS												
0 to 20	77	82	81	391	380	352	$10,874,945	$11,215,970	$10,534,807	$27,825	$29,516	$29,928
21 to 50	*	*	0	*	*	0	*	*	$0	*	*	$0
50+	*	*	10	*	*	1,205	*	*	$49,424,738	*	*	$41,025
ALL SIZES	86	92	91	1,545	1,559	1,557	$55,053,065	$58,897,416	$59,959,545	$35,623	$37,787	$38,516
BOAT DEALERS												
0 to 20	70	68	69	342	366	370	$8,824,416	$9,907,396	$10,768,052	$25,796	$27,039	$29,103
21 to 50	*	*	*	*	*	*	*	*	*	*	*	*
50+	*	*	*	*	*	*	*	*	*	*	*	*
ALL SIZES	73	70	71	500	470	465	$13,074,502	$12,667,015	$13,477,610	$26,149	$26,975	$29,015
MARINAS												
0 to 20	102	97	105	514	519	555	$14,430,104	$15,307,833	$17,467,677	$28,101	$29,514	$31,502
21 to 50	5	5	*	162	167	*	$5,741,322	$5,936,374	*	$35,532	$35,565	*
50+	4	4	*	259	260	*	$9,989,326	$10,454,142	*	$38,519	$40,260	*
ALL SIZES	111	108	114	934	945	982	$30,160,752	$31,698,349	$34,339,853	$32,278	$33,534	$34,978
COMPOSITES MANUFACTURERS												
0 to 20	17	19	18	88	137	134	$2,865,155	$4,103,071	$4,343,214	$32,436	$29,949	$32,332
21 to 50	8	8	7	245	301	224	$8,556,624	$10,525,232	$7,434,560	$34,925	$34,977	$33,153
50+	9	8	10	1,519	1,423	1,516	$56,427,581	$55,182,497	$60,136,880	$37,158	$38,768	$39,679
ALL SIZES	34	35	35	1,852	1,861	1,874	$67,849,360	$69,810,800	$71,914,654	$36,637	$37,506	$38,372
OTHER RELATED FIRMS (2)												
ALL SIZES	216	220	215	8,237	7,987	8,197	$379,059,602	$383,941,550	$425,211,168	$46,018	$48,069	$51,877

* non-disclosable data

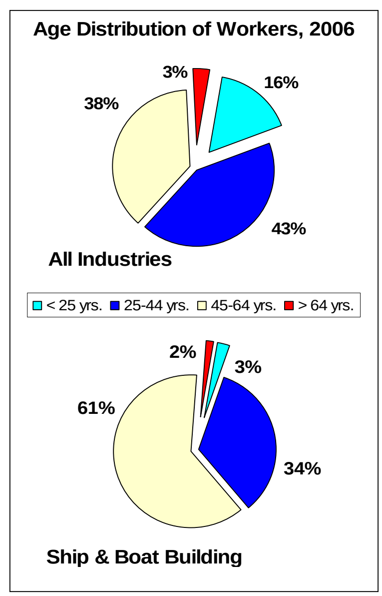
(1) These data include wage and salary employment only. Self-employed or other workers not covered by unemployment compensation law are not included.

(2) These data do not include employment and wages from Maine Maritime Academy or the Maine Community College System, though both institutions offer programs directly or indirectly related to the NSAI marine-related industry cluster.

Source: Maine Department of Labor, Center for Workforce Research and Information, 8/11/2008

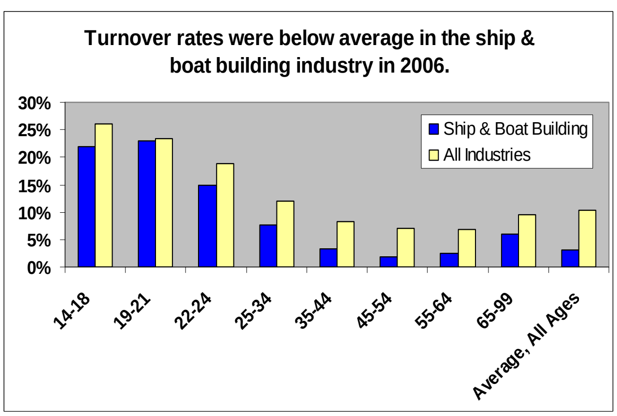
Focus on Ship & Boat Building

Data from the local Employment Dynamics program describe workforce characteristics of the ship and boat building industry in 2006.[1] Similar data is not available for other NSAI industries.



• The share of young and older workers is lower than average and the share of workers age 45 to 64 is much higher than average.

• Middle aged workers tend to have higher job stability and higher earnings than younger or older workers, which is a primary factor contributing to the industry's high average wages and low turnover.



• The earnings premium in ship building was larger than in boat building.

• The high concentration of workforce approaching retirement is likely to create staffing challenges for employers in the years to come, including recruiting younger workers and knowledge and skill transfer from experienced workers.

[1] The NSAI cluster distinguishes between boat builders (builders of vessels primarily for personal use) and ship builders (builders of commercial vessels). Ship builders are included in the Other Related category of firms in the table.